

# Homeport Obtains Housing Equity Fund loan, working capital for developers led by people of color

In 2021, Housing Partnership Fund (HPF) launched the Housing Equity Fund (HEF) to provide catalytic, enterprise-level capital to HPN members who are led by people of color at the CEO or Board level. Through this product, HPF aims to address a critical capital barrier perpetuated by systemic racism that has contributed to just 2% of real estate companies in the U.S. being black-led and 1.5% of real estate assets controlled by firms owned or led by people of color. HEF loans are interest-only, working capital loans (non-project specific) to support affordable rental and homeownership activities. HPF closed its first HEF loan in December 2021.

*“HPN was wonderful to work with from the first moment we inquired about the availability of funds through a smooth and efficient underwriting process - completed within 90 days of our original call. We are confident that as Homeport continues to grow, HPF will be there to grow with us.”*

**Valorie Schwarzmann, CFO at Homeport**

## \$2 million loan for acquisition, predevelopment, and bridge financing

Homeport, based in Columbus, OH, has seen its development pipeline balloon in recent years, requiring the developer either to spend more of its cash to move projects through predevelopment or secure predevelopment project loans. Like many HPN members, Homeport has also used its own resources to bridge committed soft funds from public agencies that were delayed. As an alternative to using valuable cash reserves or being forced to obtain project-specific financing, Homeport applied to HPF for working capital to increase the organization’s ability to move more efficiently through acquisition and predevelopment.

Leah Evans became Homeport’s CEO in January 2022, after serving for several years as its head of Real Estate Development. Leah’s ascension to this leadership role during underwriting allowed HPF to use HEF capital to provide a lower-rate than HPF’s traditional enterprise loan product.



Rendering of Easton Place Homes (Credit: Homeport)

## Housing Equity Fund Key Terms

Loan Amount:	\$500,000 - \$3,000,000
Interest Rate:	Approximately 4.5%, interest only
Term:	Up to 9 years
Security/Collateral:	Unsecured or partially secured by alternative collateral
Loan Fees:	1.00% - 1.50%
Underwriting:	Focused on management, board, development pipeline, and organization’s financial strength and development policies and procedures
Other Benefit:	HEF loans are fully revolving and can be used on a variety of projects

The Housing Partnership Network (HPN) is a national collaborative of 100+ leading housing and community development nonprofits as well as an AERIS-rated AA- Four Stars Policy Plus CDFI. Through practitioner-driven peer exchange, policy work and innovation, HPN’s mission is to leverage the individual strengths and mobilize the collective power of our members. Our vision is that all people live in vibrant and inclusive communities where access to affordable homes creates opportunity and economic mobility.

Since 2001, HPF has provided \$200 million of capital to HPN members for the development, preservation, and operation of affordable housing.